CITY COUNCIL AGENDA ITEM COVER MEMO

	Agenda Item Number		
Meeting Type: Regular	Meeting Date: 9/12/2013		
Action Requested By: <u>Legal</u>	Agenda Item Type <u>Resolution</u>		
Subject Matter:			
Invoking letter of credit.			
Exact Wording for the Agenda:			
Resolution authorizing the Clerk-Treasurer to invoke	e Worthington Federal Bank Letter of Credit		
No. 2012-042 for Inspiration on Green Mountain Su	bdivision.		
Note: If amendment, please state title and num	nber of the original		
Item to be considered for: Action Unanimous Consent Required: No			
Briefly state why the action is required; why it is rec provide, allow	commended; what Council action will		
and accomplish and; any other information that mig	ht be helpful.		
1			
Associated Cost:	Budgeted Item: Not applicable		
MAYOR RECOMMENDS OR CONCURS: Yes			
Department Head:	Date: 8-27-13		
revised 3/12/2012			

RESOLUTION	NO.	13-	
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WHEREAS, Worthington Federal Bank issued a certain letter of credit (No. 2012-042), a copy of which is attached hereto and incorporated herein by reference, including any amendments thereto, in favor of the City of Huntsville, Alabama pursuant to Article 5 of the Subdivision Regulations for the City of Huntsville, Alabama; and

WHEREAS, the letter of credit is due to be invoked and the proceeds used in accordance with said subdivision regulations.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Huntsville, Alabama, that the City of Huntsville Clerk-Treasurer be and is hereby authorized to present for payment to Worthington Federal Bank Letter of Credit No. 2012-042, prior to the expiration date thereof, with the language as specified in said Letter of Credit.

ADOPTED this the 12th day of September, 2013.

President of the City Council of the City of Huntsville, Alabama

APPROVED this the 12th day of September, 2013.

Mayor of the City of Huntsville, Alabama



street tree

...defining convenience a different way

IRREVOCABLE STANDBY LETTER OF CREDIT NO. 2012-042

BENEFICIARY: City of Huntsville P.O. Box 308 Huntsville, AL 35804

ACCOUNT PARTY: Diltina Development Corp 7545 A HWY 72 West Madison, AL 35758

BANK:
Worthington Federal Bank
3301 Memorial Parkway SW
Huntsville, AL 35801

RE: Article 5 Landscape/Letter of Credit for Inspiration on Green Mountain a Resubdivision of Tract 1 according to the Green Mountain Auction Property Plat Book 33 Pages 1 - 26

AMOUNT: \$41,750.00 ISSUE DATE: September 26, 2012

EXP. DATE: September 26, 2013

Gentlemen:

We hereby open our Irrevocable Standby Letter of Credit in your favor effective September 28, 2012 for a sum not to exceed the aggregate of \$41,750.00. Available by your one or more drafts at SIGHT on us.

All draft(s) drawn under and in compliance with the terms of this Credit prior to the expiration thereof will be duly honored if drawn and presented for payment to Worthington Federal Bank in Huntsville, AL.

Each draft must be accompanied by a statement signed by a representative of the City of Huntsville, Alabama stating that the draw is being made pursuant to Article 5 of the Subdivision Regulations.

THE ORIGINAL OF THIS LETTER OF CREDIT MUST BE PRESENTED WITH ANY DRAWING.

We hereby engage with you that drafts drawn under and in compliance with the terms of the credit will be duly honored upon presentation and deliver of the documents as specified.

This Letter of Credit shall be governed by the laws of the State of Alabama, including but not limited to the Alabama Uniform Commercial Code, as the same may be from time to time amended.

Worthington Federal Bank

H. Shane Davis

Senior Vice President

OR CEK 10/22/12

My 10-19-12 DS 10-14-12 on 10/19/12

256.536.5626 · 3301 Memorial Parkway SW · Huntsville, Alabama 35801

worthingtonfederalbank.com